

1 IN THE UNITED STATES DISTRICT COURT

2 FOR THE DISTRICT OF DELAWARE

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4 PACIFIC BIOSCIENCES OF CALIFORNIA, :  
INC., :  
5 Plaintiff, : Civil Action No.  
6 vs. : 17-275-LPS  
7 OXFORD NANOPORE TECHNOLOGIES INC., :  
Defendant. :  
----- :

8 PACIFIC BIOSCIENCES OF CALIFORNIA, :  
INC., :  
9 Plaintiff, : Civil Action No.  
10 vs. : 17-1353-LPS  
11 OXFORD NANOPORE TECHNOLOGIES INC., :  
12 Defendant. :

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14 Wilmington, Delaware  
15 Wednesday, August 14, 2019  
16 *Telephonic Conference*

17 BEFORE: HONORABLE JENNIFER HALL

18 APPEARANCES:

FARNAN, LLP  
BY: BRIAN E. FARNAN, ESQ.

19 And

20 WEIL GOTSHAL & MANGES, LLP  
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1 APPEARANCES: (Continued)

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2 P R O C E E D I N G S

3 (REPORTER'S NOTE: The following telephone  
4 conference was held in chambers, beginning at 11:30 a.m.)

5 THE COURT: Good morning, counsel. This is  
6 Jennifer Hall.

7 Before we begin, let me say a few things for  
8 the record. We are here for a teleconference in the matter  
9 of Pacific Biosciences of California, Incorporated, versus  
10 Oxford Nanopore Tech, Inc. There are two civil action  
11 numbers, 17-275 and 17-13553.

12 And it's my understanding that we're here for a  
13 call today regarding one discovery dispute that has been  
14 raised by plaintiff and two discovery disputes that have  
15 been raised by defendant.

16 I want to alert the parties that we are on the  
17 record today. I have with me Court Reporter Gail Verbano,  
18 who will be taking down our call this morning. And so we  
19 can have a clear record and because I'm not yet familiar  
20 with everyone's voices on the call today, I would like to  
21 ask counsel to identify themselves each time they speak.

22 Next I'd like to ask counsel for the parties to  
23 identify themselves for the record. We'll start with  
24 plaintiff's side and begin with Delaware counsel.

25 MR. FARNAN: This is Brian Farnan on behalf of

1 the plaintiffs. And with me is Edward Reines and Derek  
2 Walter from Weil, Gotshal & Manges.

3 THE COURT: Good morning. And for the  
4 defendant?

5 MS. YING: Good morning, Your Honor. This is  
6 Jennifer Ying from Morris, Nichols, Arsht & Tunnell on  
7 behalf of the defendants. With me online this morning is  
8 Steve Hash, Elizabeth Flannery and Jeff Gritton, all from  
9 Baker Botts.

10 THE COURT: Good morning.

11 So let's start with plaintiff's request first.  
12 As I understand it, this is a request to depose two of  
13 defendant's employees.

14 Who will be speaking on behalf of the plaintiff  
15 today?

16 MR. FARNAN: Your Honor, Ed Reines from Weil  
17 Gotshal will be speaking on behalf of Pacific Biosciences  
18 for this issue.

19 THE COURT: Mr. Reines, let me ask you first a  
20 couple of questions, and then I'll give you time to add  
21 anything else that you'd like to add.

22 I want to ask you first about Mr. Sanghera,  
23 defendant's CEO. What topics do you anticipate asking  
24 Mr. Sanghera about? Topics just relevant to the issue of  
25 willfulness or something else?

1 MR. REINES: It would relate to willfulness,  
2 inducement, anything where the state of mind is relevant.  
3 So that -- those are the general topics. I don't think we  
4 will get into the technical nitty-gritty with him.

5 THE COURT: And it's my understanding that  
6 wilfulness is not yet part of the case and that there's a  
7 pending motion to amend; is that correct?

8 MR. REINES: That's correct. But of course  
9 inducement is in the case. So the state of mind and  
10 awareness of the patents is obviously squarely front and  
11 center in the case.

12 THE COURT: How much time do you think that you  
13 would need with Mr. Sanghera to question him about those  
14 topics?

15 MR. REINES: I have no interest taking undue  
16 time with witnesses, and never have. And we're well below  
17 our -- the parties agreed to 130-hour limit. We're well  
18 south of that.

19 But I think certainly within three hours. I  
20 would shoot for two hours. I think it would be  
21 artificial -- if we're flying to England, I hate to have an  
22 uncooperative witness and have a problem. But if we  
23 subject-matter-limit it, I think three hours, I think,  
24 realistically. Probably be done with less than two.

25 THE COURT: And I understand that defendant's

1 position is that if Mr. Sanghera is asked questions about  
2 his decisions to put or keep products on the market or  
3 presumably questions about inducement, that Mr. Sanghera  
4 intends to testify that he relied on the advice of counsel,  
5 and defendants say that they offered to give you a  
6 declaration that says that. Why is that not good enough?

7 MR. REINES: First of all, the declaration is,  
8 we never got the draft of the declaration. We were open to  
9 something like that potentially. But the problem with that  
10 always was, you know, somebody emailed correspondence  
11 involving him. And I don't know if you -- sounds like you  
12 know the issues and record masterfully. And, again, this  
13 is Ed Reines.

14 But the -- just as an example, there's an email  
15 where he's commenting on the PacBio patent in the subject  
16 line, and his statement is patent claims and concepts are  
17 pointless, never stand up in court, not enabled, et cetera,  
18 et cetera, et cetera.

19 So a sterile comment that he's relying on  
20 advice of counsel I don't think would be adequate.

21 Beyond that, in my experience in the trial  
22 setting is that, you know, what is said around the topic of  
23 what the reliance is and how -- you know, when it was  
24 acquired and all that, it's not just a binary yes/no and  
25 then you check a box and move on. There's witness testimony

1 on the topic routinely surrounding it at trial.

2 So the -- the -- the real point here is Mike  
3 Wilcox, who is CEO of the US sub, you know, it's clear that  
4 Gordon Sanghera made the go/no-go decision, you know, so  
5 that's where the finger got pointed. And the parent company  
6 obviously wants to show whose company is in those shoes, and  
7 having him sit for deposition hardly seems like an unfair  
8 thing, considering the nature of the suit and the case law.

9 THE COURT: So just shifting gears a little  
10 bit, I understand that fact discovery is closed now. How  
11 are these depositions going to impact the schedule if at  
12 all in terms of keeping the remaining deadlines in the  
13 case?

14 MR. REINES: If we do them promptly, I don't  
15 see any problem whatsoever. We're -- we're -- expert  
16 discovery is partially underway. But certainly testimony  
17 regarding, save mine if we're talking about Mr. Sanghera,  
18 is not -- you know, is not going to move the needle on the  
19 technical reports or damages reports or things like that.  
20 So I don't see any effect on the schedule whatsoever.

21 And the timing is a product of -- I mean, we  
22 still have the deposition a month before the discovery  
23 close, and these witnesses were in our initial disclosure.  
24 So, you know, I think by any measure of my experience in  
25 this kind of litigation that's -- that's -- they asked us to

1     await the 30(b)(6) deposition to see how that went, and of  
2     course we did that. I don't think we should be penalized  
3     for that.

4                 THE COURT: Let me ask you this: I note that  
5     the parties yesterday filed another motion for a  
6     teleconference to resolve disputes regarding 30(b)(6)  
7     witnesses. If the Court orders one or both of the  
8     depositions that you're requesting today, will that obviate  
9     the need for the Court to address that other dispute, from  
10    your perspective?

11                MR. REINES: Excellent question, Your Honor.  
12    This again, Ed Reines. I think it might for the following  
13    reason. I'm going to get realpolitik here.

14                You asked -- you're asking such good questions.  
15    I kind of want to field your questions rather than just go  
16    into argument.

17                But what I think is happening or what I -- I'm  
18    close to saying that I know is happening is Clive Brown is  
19    their CEO. He runs the show there on technology. He knows  
20    the technology in and out. He's their public face. He's  
21    the internal decision-maker. I don't mean to be disparaging  
22    or anything, but it's absurd that there's a fight about  
23    whether this individual be deposed.

24                What I think it is is that Stewart Reed was  
25    stubbornly nonresponsive throughout his deposition in what I

1 thought was a defensive way. And I think that the  
2 perspective is that Dr. Reed is a much more controllable  
3 witness that stays on message and they don't -- and I guess  
4 they don't know that Clive Brown will.

5 So why I say that in response to your question  
6 is -- I think having gone through it and having taken the  
7 deposition of Reed myself and so forth, and having watched  
8 Clive Brown's videos and all the stuff that we rely on for  
9 our case, the reason I say this is because I think that he  
10 can be responsive in the areas where Reed couldn't.

11 Reed -- not to get too far into it, but I think  
12 it is helpful. There's two groups: There's a research  
13 group and a development group. Reed is in the development  
14 group. He didn't know what was going on in the research  
15 group. And some of the more technical questions regarding  
16 the entomology and so forth requires the research-group  
17 knowledge. And he conceded that he couldn't answer some of  
18 those questions, nor would it be fair for him to be expected  
19 to because he's not in that. Clive Brown oversees both  
20 groups.

21 So I think it helps solve the other problem if  
22 they designate -- they can designate who they want, but  
23 Clive Brown is obviously more knowledgeable about the topics  
24 than Dr. Reed was. And so I think maybe they can use Clive  
25 Brown and maybe that would resolve it.

1                   That's two things, but you asked them so I  
2 answered.

3                   THE COURT: Understood. And let me ask you,  
4 just since you brought up Mr. Brown, is it just -- is it --  
5 I understand that part of your infringement case that you  
6 want to put on to the jury is some things that he said  
7 during a presentation or presentations with respect to how  
8 the defendant's technology works.

9                   Is it just the one presentation you needed to  
10 ask him about or was he consistently talking about the  
11 technology? Are there more topics and more statements?

12                  MR. REINES: No, I mean, he's a prolific  
13 speaker on Oxford Nanopore Technology and its disputes with  
14 PacBio. So it's a whirlwind of information. It's  
15 PowerPoint after PowerPoint, and it's -- the day we were  
16 writing this brief, I said let's look at his Twitter  
17 account, and there was a comment about PacBio from two days  
18 earlier and then one from a few days before that.

19                  I mean, he's constantly speaking on these  
20 topics. And to be honest -- I don't think this is a point  
21 of dispute -- I think Oxford Nanopore has said he's their  
22 public face of their company when it comes to speaking on  
23 the technology of Oxford Nanopore.

24                  THE COURT: Is there anything more you want to  
25 add before I turn to the other side on this dispute?

1 MR. REINES: Yeah, I think I do want -- the  
2 primary point I want to make -- I guess two points.

3 One point is with respect to these witnesses,  
4 there's none of the declarations from these witnesses that  
5 they have no personal knowledge. And there's no declaration  
6 that this is some kind of special imposition on them to  
7 distract them from their duties. This is central to their  
8 business. The lawsuit is central to their business. They  
9 know that.

10 And I think the cases that are cited, at least  
11 many of them where this has ever been granted, there's  
12 usually a declaration -- there's a clear, obvious situation  
13 where the witness doesn't have knowledge. They can't put  
14 that in on either of these witnesses. Just doesn't exist.  
15 So that's one point.

16 The second point is, if you looked at the  
17 cases -- and I'm sure Your Honor has -- you know, the  
18 examples -- literally the examples that were cited in here  
19 is Steve Jobs on a company that was an MPE. And the point  
20 the Court made was there's 70 MPE suits in a year against  
21 Apple. You know, the absurdity of having Jobs comment on  
22 that.

23 Michael Dell was another one of the cases that  
24 was relied on. And even there I think he was a -- even  
25 there a limited deposition was required.

1           And then another one is the Lupin case, was a  
2     former CEO who went to Johnson & Johnson, had -- had a  
3     subpoena of a third party who is now CEO of Johnson &  
4     Johnson company. None that remotely resembles this case.

5           And it's always annoying to judges when  
6     attorneys invoke their long experience or whatever. But I  
7     have to say that the idea that a CTO of a very small company  
8     which is constantly speaking as the spokesperson for the  
9     company on technology and unquestionably a decision-maker on  
10    the technology, and all products are accused infringed, the  
11    idea that he isn't going to sit for a normal seven-hour  
12    deposition on all the topics of which he's knowledgeable  
13    really is pushing the envelope in an attempt to sort of  
14    control who the witnesses are so they can have this Stewart  
15    Reed.

16           And the Court is going to be interested in  
17    looking at Dr. Reed's evasion when we submit, you know, on  
18    that dispute. So I think that's really the point there.

19           And on Sanghera, I agree that -- it's not a  
20    product of it's -- as it's overburdensome on him. But I  
21    think the way the issues are framed up, he really -- as long  
22    as he's not going to be used at trial on any witness other  
23    than knowledge of the patents, I'm fine to confine him to  
24    that, and I think it will be a short deposition.

25           Is there any other question? I'm happy to

1 answer them.

2 THE COURT: No. I just want to clarify for the  
3 record, so what I'm hearing you say is, with respect to  
4 Mr. Sanghera, you're content to restrict your questioning  
5 to his knowledge of the patents. Is that what I heard?

6 MR. REINES: As long as he's so limited at  
7 trial on that same basis. He can't be that unlimited that  
8 way and then they use them as a, you know, sole-purpose  
9 witness at trial. That doesn't make any sense.

10 So if they're willing to limit him to that  
11 topic at trial, then I'm willing to confine the questioning  
12 to his knowledge of the patent rights. It's really patent  
13 rights, because some of his early patent applications they  
14 are tracking closely are fine, for good reason.

15 THE COURT: Okay. Let's go and hear from the  
16 other side. Who will be speaking for the defendant?

17 MS. FLANNERY: Liz Flannery. I'll be speaking  
18 for the defendant.

19 THE COURT: Thank you, Ms. Flannery. So if you  
20 don't mind, I'd like to start with a couple of questions.  
21 So let's start with Mr. Sanghera, since we ended on that.

22 They've made the offer that his deposition be  
23 restricted, in interest of time, to three hours or less; and  
24 that it also be restricted by topics so long as you agree  
25 that he's not going to sit up at trial and testify about

1 broader topics.

2 Is that acceptable to the defendant?

3 MS. FLANNERY: We certainly would be willing to  
4 stipulate that we are not going to use him as a witness  
5 about other topics. But I don't think that we think that  
6 even the three hours and limited scope of topics is  
7 appropriate here for a number of reasons.

8 As Judge Stark is going to hear about tomorrow,  
9 we don't think willfulness is properly in the case. And in  
10 terms of inducement, which is what Mr. Reines pointed to,  
11 part of the issue here, Your Honor, is that we have a  
12 timeline that's a little bit complicated.

13 They claim that Dr. Sanghera's knowledge is  
14 relevant because he makes decisions to release products.  
15 But here, Oxford was on the market with its products before  
16 PacBio's patents ever issued. This is an issue that Judge  
17 Stark is going to hear about a lot tomorrow.

18 And so in terms of what his knowledge was  
19 relevant to their allegations, it's hard to nail down  
20 exactly when that relevant knowledge is, because if they're  
21 talking about his decision to release products, that was  
22 well before their patents were ever at issue.

23 This Exhibit C that they point to in their  
24 brief, this email that they talk about, if you look at the  
25 email carefully, it's talking about a patent that is not

1 involved in this case. It was a patent that issued earlier,  
2 and the email itself is from 2014. That was long before any  
3 of the patents in this case issued.

4 And so to the extent that they've suggested  
5 that Dr. Sanghera might have knowledge about PacBio patents  
6 relevant to Oxford products, we just don't think any of that  
7 is relevant.

8 We certainly offered -- and I didn't know if  
9 you had any further questions about that. I was going to  
10 talk about the declaration, but I want to make sure I  
11 address your question.

12 THE COURT: Let me ask you this. With respect  
13 to topics that are solely relevant to willfulness, your  
14 point is well taken that it's not at issue in the case  
15 today. It may be tomorrow, but it's not today.

16 With respect to inducement, I understand your  
17 position to be that we couldn't have induced infringement if  
18 we were already on the market when the patent issued. But  
19 certainly, I imagine, plaintiffs would like to ask you about  
20 your decision to continue selling the product after the  
21 patent issued.

22 Why isn't that a topic that they should be able  
23 to ask Mr. Sanghera about?

24 MS. FLANNERY: Well, and that information is  
25 what we claim to be privileged. And so that's why we

1 offered to provide the declaration of Dr. Sanghera to say  
2 that any information after the issuance of the patents,  
3 which I think the earliest is about two months before the  
4 patent suit was filed, would be protected by privilege, and  
5 that's the kind of subject matter that we can put into a  
6 declaration.

7 THE COURT: Did you have anything else you  
8 wanted to say about Mr. Sanghera or can I switch to  
9 questions about Mr. Brown?

10 MS. FLANNERY: Just a couple of things, Your  
11 Honor. I think, you know, the comment about, you know, we  
12 haven't put in an affidavit yet -- I think this is related  
13 to where we just ended -- part of that issue is because of  
14 this timing. We wanted to make sure that we got the  
15 wording of the affidavit appropriate, and that's why we  
16 offered to talk about that before bringing this issue to  
17 court.

18 We were still talking about it when they  
19 decided to bring this issue. We're still willing to talk  
20 about a declaration because of that time frame and because,  
21 as your question kind of articulates, you sort of have to  
22 narrow where you're looking at to a specific set of  
23 circumstances and a particular set of decisions about  
24 keeping the products on the market versus releasing them.

25 We wanted to work with PacBio to get that

1 language right. We're still willing to do that, and that's  
2 the only reason we haven't provided it in our briefing yet.

3 The other point about Dr. Sanghera relating to  
4 the size of the company, you know, Mr. Reines pointed to the  
5 fact that we've only relied on cases that deal with these  
6 large conglomerates -- Steve Jobs, very well-known CEOs and  
7 very large companies.

8 But there's nothing in the case law suggesting  
9 that small companies aren't able to take advantage of Apex  
10 protection as well. In fact, Judge Stark rejected such an  
11 argument in the Cadence Pharmaceuticals case. We cited the  
12 transcript in Exhibit T to our letter brief.

13 On Page 13 of that transcript, Judge Stark  
14 specifically said that even a small company is entitled to  
15 that. And, in fact, PacBio has suggested -- and they're  
16 about the same company -- about the same size in terms of  
17 number of employees -- they suggested that their own CEO,  
18 Michael Hunkapiller, shouldn't have full discovery in this  
19 email because he's a very high-up executive and has  
20 knowledge about sensitive issues in the case.

21 So this notion that somehow Oxford's CEO is not  
22 entitled to Apex protection because it's only a small  
23 company is just not supported by the law. So that would be  
24 the only other comment I'd have to Dr. Sanghera.

25 THE COURT: So let's switch to Dr. Brown.

1 Plaintiffs have made the point that they ought to be able  
2 to depose him because he is the person who is actually  
3 making comments and giving presentations about the  
4 technology, and they apparently intend to rely on some of  
5 those comments and presentations as part of their  
6 infringement case.

7 So I take your point that other employees have  
8 testified about the technology in prior depositions, but  
9 they are not the ones who gave the presentations. So it  
10 doesn't really seem to me to be duplicative. What is your  
11 response to that?

12 MS. FLANNERY: Well, the fact that Mr. Brown  
13 gave these presentations -- I mean, statements are what  
14 they are. They have the PowerPoint presentation. And of  
15 course the only thing that's relevant to the issue of  
16 infringement or willful infringement in the case is the  
17 structure and operation of the products and, of course, to  
18 the extent there was a decision made relative to an issued  
19 patent, that could be relevant to willfulness.

20 But what -- the basis for what -- for what  
21 Mr. Brown presented why he thought what he thought, none of  
22 that is really relevant to the issues of infringement or  
23 willfulness or inducement or anything of that in the case.

24 I mean, as other witnesses -- they testified  
25 regarding the content of that. They've actually testified

1 that other employees at Oxford, including several of the  
2 witnesses that we've offered, actually prepared the subject  
3 matter of those presentations. So they are actually -- they  
4 actually have more personal, firsthand knowledge of that  
5 information than Mr. Brown, even though he was simply the  
6 public face.

7 And lots of cases note that simply because  
8 you've made a public statement doesn't mean that the witness  
9 has firsthand, unique knowledge about the subject matter,  
10 for this very reason: Because they have employees that are  
11 providing them with the information; they're just providing  
12 it to the public.

13 THE COURT: And let me switch gears a little  
14 bit. The plaintiffs have said that they could take the  
15 depositions of these individuals in short order.  
16 Presumably that's in the next few weeks. Would there be  
17 any issues producing either one on that timetable?

18 MS. FLANNERY: So I don't think we've actually  
19 checked on their schedules. I mean, certainly we would  
20 need to do that, given their travel schedules and things  
21 like that. I don't know for sure that they'll be  
22 available, but we're happy to check on their time frames  
23 and get back to PacBio.

24 We've not been unable to work out appropriate  
25 time frames, if that becomes necessary, in the past; and I

1 don't expect we would have a problem of doing that if the  
2 Court orders it.

3 THE COURT: And Ms. Flannery, is there anything  
4 else you want to add before I turn it over to Mr. Reines  
5 for a brief rebuttal?

6 MS. FLANNERY: You know, the only other point I  
7 would make about the testimony of Dr. Reed, since  
8 Mr. Reines raised it -- and, again, in connection with the  
9 additional letter that was filed with the Court, I expect  
10 we'll be hearing more about this.

11 But at least with regard to the excerpts of  
12 Dr. Reed's testimony that they cited, Dr. Reed was not  
13 unresponsive or argumentative; he simply did not agree with  
14 the way PacBio's counsel was characterizing statements in  
15 the slide.

16 He didn't say he didn't know what the basis for  
17 the statements were or that he didn't know why they were  
18 stated or whether they were applicable to the accused  
19 products. He simply didn't agree with characterizations.  
20 And that is not an inability to testify or provide the  
21 relevant information about those presentations. It simply  
22 is a disagreement with the way they were characterized by  
23 counsel.

24 And that was exactly the basis in the Infinity  
25 Labs case that is cited in our letter briefing as to why the

1 Court found that the other witness' testimony was made --  
2 the deposition of Mr. Jobs unnecessary. Because it wasn't  
3 that they weren't able to testify about the basis for his  
4 statements and presentations; they just didn't vary from  
5 those statements. And the fact that there was disagreement  
6 on that wasn't a reason to go depose Mr. Jobs. Same thing  
7 here with Mr. Brown.

8 THE COURT: Thank you.

9 Mr. Reines, let me turn it over to you for a  
10 brief rebuttal. But before you start, I wanted to ask you  
11 about the phrase that the defendants use, and that's the  
12 phrase "structure and operation of the accused products" as  
13 a topic that Mr. Brown -- Mr. Brown's deposition could be  
14 limited to. Is that sufficient?

15 MR. REINES: No. He had knowledge of the  
16 patents. He was tracking them. He's basically the central  
17 character in this case. And so I don't think any  
18 limitation -- I think just rewarding someone for  
19 withholding a CTO under these circumstances, under the  
20 subpoena, the Apex doctrine shouldn't get you those kind of  
21 constraints on the deposition.

22 He knows about the patents. He runs the  
23 company. He runs the technical side of the company. The  
24 idea that -- that -- how the systems work underneath the  
25 PowerPoint or underneath the video or underneath the Twitter

1 statements doesn't matter is disturbing. Obviously, it --  
2 it's all double-talk. Obviously, it matters.

3 There's issues about how the -- there's complex  
4 issues of enzymes and how the different polymers are read  
5 that -- and he explained what he thinks the theories are,  
6 and we have witnesses that are saying that it's not what he  
7 said and -- you know, I mean, so . . .

8 There's relationship issues within the  
9 organization, structure of the organization. I mean,  
10 just -- I don't think it would be fair to limit it that way.  
11 I think an hour limit of a normal deposition for what in  
12 many ways is their most important witness is what makes  
13 sense under these circumstances.

14 THE COURT: Is there anything else you wanted  
15 to state in response to what you heard from the other side?

16 MR. REINES: Yeah, let me be brief. I know  
17 you've got a busy docket.

18 On Sanghera I think it is not so simplistic.  
19 This isn't a one-patent case involving DNA MPEs or something  
20 like that.

21 They've been monitoring our patent portfolio.  
22 They have electronic tabs on it. It's been a subject of  
23 discussion at their management level. They've been tracking  
24 it since 2014. They have -- they've introduced new products  
25 this year, major new products in the last couple of years

1 that, you know, are post the patent. And so -- you know,  
2 patent applications are published. That's how these types  
3 of companies often track each other.

4 It's just not a simple thing where he says, I  
5 just relied on counsel. I don't even know what that would  
6 mean. And inducement's in the case, and the Court is well  
7 aware of the law on that. And so I think that's the  
8 explanation and the most important point for Dr. Sanghera.

9 And then if you look -- I'm not going to get  
10 too deep into the law on this point because I'm not sure  
11 it's that important on this thing. But what Judge Stark  
12 said was that the witness -- the CEO didn't have, you know,  
13 direct knowledge regarding secondary considerations relating  
14 to patents use defense. It's an edge issue that was -- this  
15 is -- it's so different.

16 And then with respect to Brown, I already said  
17 it, but I just think it's worth the restatement, is the idea  
18 that he's describing how these products that you can't  
19 view -- right? As this Court knows, you can't view how the  
20 molecules are working; you can't view how the enzymes are  
21 working; you can't view how -- which ones of the polymers  
22 are contributing to signals and all these things.

23 And he made very inculpatory statements  
24 publicly when he's describing it, and now in deposition and  
25 in their expert reports, they're trying to cast it

1 completely different. And we need a full, probing  
2 deposition of Brown. It's only fair under these  
3 circumstances, Your Honor.

4 And I thank you very much for your time.

5 THE COURT: Thank you. I have no further  
6 questions on this dispute. Let's switch to the next  
7 dispute, and this is defendants request that plaintiff be  
8 ordered to answer three requests for admission.

9 Ms. Flannery, will you be speaking on behalf of  
10 defendant?

11 MS. FLANNERY: I will not. One of my  
12 colleagues --

13 MR. HASH: No, Your Honor, this is Steve Hash.  
14 I'll be addressing this issue.

15 THE COURT: Okay. Let me begin with a couple  
16 of questions. And I want to dig into the text of the  
17 request first, if we could.

18 And just to preface it, it's not really clear  
19 to me what you're asking here, so let me read the request  
20 for the record.

21 It says: "Admit that as of the claimed  
22 priority date of the subject matter claimed in the patent, a  
23 person of ordinary skill in the relevant art would not have  
24 been able to determine the sequence of a nucleic acid by  
25 translocating said nucleic acid through a nanopore as

1 described in the patent."

2                   So when I read that, it's not entirely clear to  
3 me what this is asking. It's saying admit that a person of  
4 ordinary skill in the art would not have been able to do  
5 something as described in the patent as of the priority  
6 date. Is this a person of ordinary skill in the art that  
7 has the patent in front of them? Is this a person without  
8 the benefit of the patent?

9                   And I understand, after reviewing the parties'  
10 briefing, that you've clarified the question in a letter to  
11 the plaintiff, but you want plaintiff to put the answer down  
12 in writing to the question as asked.

13                   And so my question to you is: Why aren't they  
14 entitled to have you re-write that question before they put  
15 their answer down?

16                   MR. HASH: I think the way that you summarized  
17 the question is exactly what we're asking. And -- and  
18 Mr. -- Mr. Reines threw around a term that I think is  
19 apropos in this case. This is a nonpracticing entity case.

20                   At the time of the patent that they were filed,  
21 nanopore sequencing, no one could do it. Certainly,  
22 PacBio could not, have not and cannot sequence by nanopore  
23 sequencing. Nanopore sequencing was not a viable technology  
24 until several years after this patent was filed, and that is  
25 simply the meat and bones of what we're asking for here.

1           Just a clarification that, as of the filing  
2     date in this patent, persons of ordinary skill in the art  
3     could not sequence a nucleic acid by translocating it  
4     through a nanopore. As that is -- not necessarily as it's  
5     described, but that is the subject matter that they are  
6     talking about here: Sequencing a nucleic acid molecule by  
7     translocating it through a nanopore; right?

8           If I asked the question, in May of -- in  
9     April/May of 2009, could you sequence a nucleic acid  
10    molecule, the answer to that would be: That's a fact; of  
11    course.

12           Standard, you know, sequencing technology back  
13    in the 1970s and template-dependent sequencing processes  
14    that evolved over that -- that 30-year period, and it was --  
15    retained the sequence.

16           The question here is, as of 2009, could you  
17    likewise determine the actual bases AGCT of a nucleic acid  
18    molecule by translocating that molecule from a nanopore?

19           They couldn't do it, and the fact is that no  
20    one could. And that's simply the issue that -- the fact  
21    that we are seeking and the issue that they should be  
22    required to respond to.

23           THE COURT: So you suggested that you need them  
24    to clarify what their position is. I don't have the  
25    benefit of the expert reports. I don't know what their

1 contentions are, but presumably they dispute your argument  
2 that the patent is not enabled.

3 Why do you need them to clarify this? Do you  
4 not know what their position is on enablement?

5 MR. HASH: We're not asking the ultimate issue  
6 of enablement. The request for admission is not is the --  
7 are the claims of this patent enabled. The questions go to  
8 the fact as to whether the underlying method that these  
9 claims are directed to was viable at the time. Could a  
10 person of ordinary skill have actually sequenced a DNA  
11 molecule by translocating it through a nanopore in 2009,  
12 and the answer is no.

13 Now, they haven't -- we don't know if they  
14 dispute that or not because they won't answer the question.  
15 But they certainly can't point to any facts, any literature,  
16 that shows in this time frame that persons of skill were  
17 able to take a nucleic acid molecule of unknown sequence,  
18 thread it into a nanopore, run a current across that  
19 nanopore and determine a sequence of what that molecule was.

20 But that -- that activity, that method, that  
21 determination is all questions of fact, not of law. And  
22 while that evidence certainly goes to the issue of  
23 enablement, those facts -- that evidence goes to the issue  
24 of enablement. Could a person of ordinary skill do it at  
25 the time, that is not the legal question that's being asked.

1           THE COURT: So let me ask it a different way.  
2       So I looked at the materials provided by the parties, and  
3       various courts have come up with rules for requests for  
4       admission: Rules about asking about facts versus law;  
5       rules about asking about single facts versus multiple  
6       facts; rules about whether a request for admission is  
7       ambiguous or vague.

8           But isn't what all of the courts are really  
9       saying is that you look at the request for admission and you  
10      see if answer to it will settle uncontested issues and  
11      simplify the trial. And I'm struggling with how them  
12      answering this RFA settles uncontested issues and simplifies  
13      the trial. It seems to me that it creates more ambiguity  
14      and complicates the trial. Can you respond to that?

15          MR. HASH: I'm not sure that I understand  
16      because, you know, if a person of ordinary skill at the  
17      time of the filing of the application couldn't do nanopore  
18      sequencing -- which is something that needs -- the jury  
19      needs to understand -- if you couldn't do nanopore  
20      sequencing as described and ultimately claimed in the '400  
21      patent and in other literature, then -- then that is  
22      something that -- a fact that the jury needs to adduce.

23          If I had a patent on cold fusion -- right? -- I  
24      think we all understand that cold fusion is not a viable  
25      technology. Everybody knows the -- everybody would like to

1 do cold fusion, and everybody sort of knows generally how  
2 you do it. But that doesn't mean if I filed a patent on  
3 cold fusion, that that patent -- that a person of ordinary  
4 skill could carry that out.

5 Similarly here, the fact that nanopore  
6 sequencing was not viable at the time, nanopore sequencing  
7 in terms of translocating a nucleic acid through the  
8 nanopore and then measuring current variations in terms of  
9 sequence -- because that technology couldn't be done, that  
10 fact is very important. It's something that the jury needs  
11 to understand in assessing whether or not that -- that first  
12 the PacBio inventors here possessed an invention that they  
13 couldn't do, nor could anybody else, and they couldn't teach  
14 how to overcome those issues.

15 THE COURT: Is there anything else you wanted  
16 to say before I turn it over to the other side?

17 MR. HASH: No, Your Honor. I think that's it.

18 THE COURT: Thank you. Let's hear from PacBio.

19 MR. WALTER: Thank you, Your Honor. This is  
20 Derek Walter from Weil Gotshal. I'll be addressing these  
21 issues.

22 I think after hearing the oral arguments, that  
23 the Court understands these issues. A couple of points.

24 First off, there's a question of whether this  
25 RFA is directed to enablement. I think it's very clear,

1 based on the argument we just heard from Mr. Hash -- because  
2 it is; I jotted down one of the things he noted at one  
3 point. He said, All this RFA is asking is if, quote, the  
4 underlying method these claims are directed to was viable.  
5 That's enablement.

6 And you just heard him finish his argument,  
7 again, point out that all they're asking was whether someone  
8 could actually carry out the claimed invention because he  
9 couldn't think someone could at the time.

10 It's very clear: This RFA is directed toward  
11 the ultimate question of enablement. That's what the RFA  
12 sounds like it's directed towards. It's not directed  
13 towards any particular step in the claim. It's directed  
14 towards the overall claim as a whole and whether someone  
15 could carry it out. That's enablement.

16 And you're not allowed to do that with an RFA.  
17 You're not allowed to ask someone to admit or deny  
18 obviousness. You're not allowed to ask him to admit or deny  
19 something is prior art. You can't ask him to admit or deny  
20 a claim construction. And just as you can't ask him for  
21 those legal conclusions, you can't ask him to admit or deny  
22 the legal conclusion of enablement.

23 Now, there's also the other point that came up,  
24 which was whether these can be realistically answered in a  
25 way that actually clarifies things in the manner RFAs are

1 intended to be used for, and they clearly are not.

2 RFAs are supposed to be directed to relevant  
3 statements of fact. Supposed to be simple and direct. This  
4 is not any of those things.

5 Requests for admissions should be phrased so  
6 that they can be admitted or denied with minimal commentary.  
7 That is the Tulip Computers case.

8 That is the exact opposite of this. This is  
9 not the kind of thing that we can admit or deny for us to  
10 answer this. We can't just say "yes" or "no" for us to  
11 answer something like that. We'd have to put in a mini  
12 expert report, okay?

13 First we'd have to define the, quote, relevant  
14 art, because the RFA is phrased in terms of, quote, the  
15 relevant art, okay?

16 First -- and then after that we have to  
17 identify what the person of ordinary skill is in the, quote,  
18 relevant art, because the RFA is just phrased in terms of  
19 the person of ordinary skill. That's a complex legal  
20 concept. It's an entire prong of the Graham factors.

21 And the actual level of the person of ordinary  
22 skill in the art is not defined in this RFA. We'd have to  
23 define it. And it encompasses not just the qualifications  
24 of the individual but also competency, skills in particular  
25 pieces of information.

1                   And then we have to make clear what we mean by  
2 DNA sequencing and the level of adequacy that this  
3 encompasses.

4                   You know, Mr. Hash portrays this issue of  
5 whether someone can sequence DNA as a simple binary yes or  
6 no. It's not necessarily that clear.

7                   There's always the issue of accuracy. What  
8 level of accuracy are we talking about? Can someone  
9 sequence a piece of DNA with a particular accuracy using a  
10 nanopore in 2008? Yes, but what about if you're asking for  
11 a higher level of accuracy? That might be a different  
12 answer. And that's not going to be something that can be  
13 easily answered just with a yes-or-no answer of this RFA.

14                  And then we have to go through every single one  
15 of the methods of embodiment that are described in the  
16 patent, because the RFA presumably covers the entire patent  
17 because it's phrased in terms of what's described in the  
18 patent.

19                  And then finally we have to go through and say  
20 whether a person of ordinary skill could use that method to  
21 sequence by translocating through a nanopore and describing  
22 any relevant limitations to it.

23                  So this isn't something that you could admit or  
24 deny. This is something where you have to actually put in  
25 an expert report, okay?

1                   And this is what we've told them from the  
2                   outset, that this is not an RFA that is amenable to a  
3                   straightforward admission or denial. It's something where  
4                   you've got an RFA that's, No. 1, directed to the ultimate  
5                   legal conclusion of enablement, and that's improper; and  
6                   No. 2, it's not something we can possibly answer by a simple  
7                   admission or denial.

8                   THE COURT: Mr. Walters, can you comment on  
9                   Mr. Hash's statement that they don't know whether or not  
10                  you plan to defend their apparent argument that the patents  
11                  are not enabled?

12                  MR. WALTER: Yeah, I'm glad you brought that  
13                  up.

14                  You know, there was a lot of argument from them  
15                  about how the patents aren't enabled because at the time, in  
16                  2008/2009, nanopore sequencing was impossible. He compared  
17                  it to cold fusion.

18                  That's very interesting to hear, because if you  
19                  go back and look at the papers in this case, what you'll see  
20                  is that, at the outset of the case, they put in a motion to  
21                  dismiss our patent infringement claims under Section 101.  
22                  And in that motion they argued pretty strongly that nanopore  
23                  sequencing at the time of the invention was routine,  
24                  conventional and well understood. So it's a little bit  
25                  surprising here to see that it's impossible.

1           The fact is in the 2008/2009 time frame,  
2     nanopore sequencing was a developing and emerging  
3     technology, and it wasn't routine, conventional and well  
4     understood.

5           But certainly the patent definitely does enable  
6     the claimed invention, and we are going to rebut that. And  
7     I think it's going to be pretty hard for them to challenge  
8     the notion that the claims aren't enabled based on their  
9     previous assertions that nanopore sequencing was, in fact,  
10    routine, conventional and well understood.

11           THE COURT: So let me just -- actually, my  
12    question was actually a lot more simple even than that,  
13    which is: Have you put them on notice that you plan to  
14    defend their argument that the patent is not enabled?

15           MR. WALTER: Absolutely.

16           THE COURT: And what paper would that be in?

17           MR. WALTER: I believe probably would have been  
18    in an interrogatory response. I'd have to go back and  
19    look. But I think they're well aware that we plan to  
20    challenge that. We haven't put in our rebuttal and  
21    validity report yet.

22           And, you know, it's an interesting question  
23    that you asked that, because I don't think enablement was a  
24    very significant part of their report. The primary part of  
25    the report was prior art, but enablement was a very small

1 part of their report.

2 But I don't think there's any dispute they  
3 understand we're going to challenge any part of the  
4 contention that the claims aren't enabled.

5 THE COURT: Let me now turn it back over to  
6 Mr. Hash and give him an opportunity to add anything he'd  
7 like to say in response to what he heard from Mr. Walters.

8 MR. HASH: Yes, Your Honor. I think what's  
9 happening here is the language as described in the '400  
10 patent as being conflated beyond what I read, or maybe  
11 we're just reading it differently, but what I'm reading the  
12 RFA to be about here.

13 We are -- this RFA is directed to the simple  
14 issue that: Was nanopore sequencing, the process of  
15 translocating a nucleic acid through a nanopore, viable in  
16 2009? Just like -- the analyses that I drew is, would Your  
17 Honor have an issue if the RFA was: In 2009, could you  
18 sequence DNA?

19 Here all we're asking is: In 2009, could a  
20 person of skill sequence DNA by passing it through a  
21 nanopore? That is what this RFA was designed to elicit.

22 The fact that -- they raised the issue about a  
23 person of ordinary skill in the art. They defined the  
24 person of ordinary skill in the art multiple times. So they  
25 can't sit there and say, We don't know what a person of

1 ordinary skill in the art is when they defined it. They're  
2 just talking out of both sides of their mouth. They defined  
3 it multiple times, what a person of ordinary skill in the  
4 art is, and now they say, We don't know.

5 What it describes in the patent is a process of  
6 translocating a DNA molecule through a nanopore and  
7 obtaining sequence from that. The issue is: That wasn't  
8 viable until later.

9 And if they agree with that, then they should  
10 agree with the request. If they believe that nanopore  
11 sequencing was viable, they can just deny the request.

12 Now, Mr. Walter made a big issue about the 101  
13 motion that we filed, and that is a mischaracterization of  
14 the argument that we made there, and it is very akin to the  
15 cold fusion argument.

16 The argument that we made was: The components  
17 that were claimed were all routine and well understood in  
18 2009. The basic components of nanopore sequencing has been  
19 around since the 1990s. The fact was like cold fusion:  
20 Everybody knows the machinery that -- the basic machinery  
21 that you would use to do cold fusion. They just never got  
22 it to work.

23 Similarly here, everybody knew the basic  
24 components that were required for nanopore sequencing. It  
25 just didn't work until 2011 or 2012.

1           So what we were arguing was routine in 2009 was  
2 the components that they were reciting in the claim, not  
3 nanopore sequencing. And here, the fact as to whether or  
4 not somebody could have carried out nanopore sequencing in  
5 2009 is a fact.

6           It's not -- it's not the core issue of  
7 enablement. The core issue of enablement is: Could  
8 nanopore sequencing be used as claimed? Here we're just  
9 asking: Could you do nanopore sequencing at all?

10           THE COURT: I understand your argument.

11           Let's move on to the third argument, which is  
12 defendant's request to prohibit PacBio from disclosing  
13 certain confidential information to its consulting expert,  
14 Dr. Fair.

15           Let's hear from ONT first. Who will be  
16 speaking?

17           MR. GRITTON: This is Jeff Gritton. I'll be  
18 talking on this issue.

19           THE COURT: Mr. Gritton, what is the standard  
20 under which I should determine whether it's appropriate to  
21 allow Dr. Fair to have access to the information?

22           MR. GRITTON: I think at the core is a  
23 balancing of kind of the interest of both parties, you  
24 know, and the needs of PacBio to have this particular  
25 expert versus the interests of ONT in protecting the

1 confidentiality of this technical information.

2 I think the case that's probably closest to  
3 this one is the Gillette versus Dollar Shave Club case we  
4 cited in our report. That also dealt with the potential  
5 expert that was previously associated with the competitor  
6 and in the center on pending applications that were assigned  
7 to that competitor. And in that case, the Court found --  
8 those concerned and found that it wasn't appropriate to  
9 disclose the confidential information to that particular  
10 expert.

11 THE COURT: So Dr. Fair has now submitted a  
12 declaration outlining his current limited involvement with  
13 ALL. And I understand that that sort of came late in the  
14 day with respect to this dispute percolating up to the  
15 Court. But in view of that declaration that has now been  
16 submitted, why isn't that good enough?

17 MR. GRITTON: I think one of the big issues is  
18 he's filed applications that he's an inventor on that are  
19 assigned to ALL, and now Illumina; and those are being  
20 prosecuted. It's certainly plausible and -- that he'll be  
21 asked to assist with the prosecution on those applications.  
22 And the big issue as we've asserted is it's quite likely  
23 that he'll be called to testify regarding those patents. I  
24 think even if he's no longer involved in the way he has  
25 been in the past, it doesn't mean that he wouldn't be

1 involved in the future.

2 THE COURT: So they've offered to carve out  
3 information regarding a particular product, which I presume  
4 is one that's currently in development. Does that allay  
5 your concerns? Or are you worried about information about  
6 products that are currently on the market being disclosed  
7 to Dr. Fair?

8 MR. GRITTON: The product we mentioned,  
9 VolTRAX, is currently on the market. There are other  
10 products that are currently in development that use similar  
11 technology, so the issue is not just related to VolTRAX.

12 And I think another kind of complication for  
13 us, at least, is that we have no idea what information I  
14 think Dr. Fair needs or why they think his testimony is  
15 necessary in this case. It's tough for us to understand  
16 that particular carve-out without knowing what information  
17 they think he needs.

18 THE COURT: Let me turn it over to the other  
19 side here -- and Mr. Gritton, I'll give you a chance to  
20 respond.

21 For PacBio, who will be speaking? And can you  
22 give us an idea of what information you intend to disclose  
23 to Dr. Fair? Certainly it isn't the whole document  
24 production.

25 MR. WALTER: Yes, this is Derek Walter.

1           So the VolTRAX product, to put things in  
2 context, is a product that's used to prepare DNA for  
3 sequencing.

4           We don't need Mr. Fair to see information about  
5 that particular product. Mr. Fair is an electrical engineer  
6 by trade who has done work related to DNA sequencing. And  
7 we want him to opine not on the process of how you prepare  
8 the DNA for sequencing, but what happens when you actually  
9 do the DNA sequencing, and what some of that signal  
10 information looks like, and some of the signal-to-noise  
11 properties of the signals that arise from the nanopores,  
12 and Oxford nanopore's sequencing products, and the  
13 resolution of those products, and their ability to resolve  
14 signals from particular groups of basals.

15           That's what we want him to look at. And so we  
16 don't really have any interest whatsoever in showing him  
17 information about the VolTRAX, which has nothing to do with  
18 those issues. And that really is the only concern they've  
19 raised with any type of particularity, is that there's this  
20 VolTRAX issue. That's not an issue for Mr. Fair.

21           THE COURT: So the other side is worried about  
22 inadvertent disclosure. Is there anything that you can  
23 stipulate to or any topic that you could outline for us on  
24 the call today with respect to what information will be  
25 provided to Mr. Fair to allay their concerns?

1 MR. WALTER: Well, I think that's what I --  
2 that's the information I just provided: Information  
3 regarding the nature of the electrical signals that comes  
4 out of their nanopore sequencing instrument, the noise  
5 properties of those signals and the resolution properties  
6 of those signals. It's not the information about how you  
7 prepared DNA for sequencing using the VolTRAX. That's the  
8 basic overview of the information we want to provide.

9 Now, this whole issue of inadvertent  
10 disclosure, it seems like a -- we just don't understand it.  
11 Because, frankly, you know, the concerns they've raised are  
12 concerns that could arise in the context of any expert, that  
13 the expert could inadvertently disclose things to someone.

14 Now, was the Court asking us about us  
15 inadvertently disclosing things to Dr. Fair? Is that what  
16 the question was about?

17 THE COURT: No, no. I just -- you know, so it  
18 sounds like what I'm hearing you say is that you want to  
19 give him information about the structure and operation of  
20 the accused products. Is that fair?

21 MR. WALTER: Yeah. It's really one particular  
22 aspect of the accused product. The easiest way to  
23 understand this is that the VolTRAX product, the one that  
24 they're concerned about, the one that ONT is concerned  
25 about, the one that they've raised as an issue is a product

1       that is concerned with what happens before you do the  
2       sequencing and how you prepare a sample of DNA for  
3       sequencing.

4               And what we want to have Mr. Fair look at is  
5       something that happens after that process, something that  
6       happens when you actually do the sequencing and the signals  
7       and the information that comes out of the sequencer. That's  
8       the way to understand it.

9               THE COURT: Is there anything else you wanted  
10      to say before I turn it over to the other side?

11              MR. WALTER: Yeah, I think it's worth noting  
12      that this concern really is, I think, very odd.

13              There's no reason to think Dr. Fair is going to  
14      violate the protective order here and misuse information for  
15      some improper purpose. He's been an expert on many cases  
16      before. He knows what's involved, and there's no allegation  
17      that he's misused information in the past.

18              All of their concern is based on this company  
19      called ALL, which is owned by Illumina, and Illumina is the  
20      party that's apparently sued them in the past, and Illumina  
21      is just a parent of ALL.

22              ALL has never actually sued him. And  
23      Dr. Fair's involvement with this company ALL is so minimal.  
24      He's put in a declaration to that effect. It's a company  
25      where he's only spoken with them once. He's on the

1 scientific advisory board, and that was only until 2013.  
2 His role with them ended in 2013, so he hasn't been involved  
3 with them in six years. He's never had any role in the  
4 management or operation of this company.

5 And so this concern that he would get some  
6 information about a product, where we agreed we don't need  
7 to give him the information about that product -- that he'd  
8 get information about this product and then run over to this  
9 company he hasn't been involved with and has -- he's only  
10 ever have had a very limited relationship with and disclose  
11 it to them so they can then misuse it and either prosecute  
12 patents or do something else, it just seems very  
13 unreasonable. And I think that big-picture understanding of  
14 what the situation is worth -- is really important to have  
15 in mind.

16 THE COURT: Thank you, Mr. Walter.

17 Mr. Gritton, is there anything you heard that  
18 you'd like to respond to?

19 MR. GRITTON: Yeah, just a couple of points.

20 I think first is kind of -- kind of dismissing  
21 our concerns. I think the current lawsuit is the latest in  
22 a series of lawsuits that Oxford has been defending over the  
23 last several years, both by Illumina and PacBio, and  
24 Illumina as well as other courts because it's currently in  
25 the process of acquiring PacBio. So from Oxford's

1 perspective, it's not farfetched to be concerned about  
2 future litigation between some of these parties.

3 With regard to the -- I don't think the concern  
4 here is -- we're not maligning Dr. Fair's intent, but the  
5 real risk is inadvertent disclosure. He is indisputably an  
6 inventor on patents that are assigned to ALL and Illumina,  
7 and those patents are being prosecuted.

8 But there is a protective order in this case,  
9 but the protective order does not have a prosecution bar  
10 that applies to Dr. Fair. There's nothing stopping him from  
11 participating in prosecution of those patents. So there's  
12 still a live concern, even if he's not currently actively  
13 involved in those cases.

14 And then the last point I wanted to raise is  
15 PacBio, in their letter briefs filed in this case -- it's  
16 BioLab labs, where a Court did allow the expert to see some  
17 material. And I think the distinction there is kind of  
18 important here.

19 In that case, the party that was deposing the  
20 expert had limited their request to three very specific  
21 items they wanted to show the expert. And I think that  
22 might be a different situation than here, where there's --  
23 that's a lot more vague. We don't know what particular  
24 materials they want to show him other than that little bit  
25 of information we got today. And we have kind of a vague

1 carve-out regarding VolTRAX, but then there's other products  
2 still in development.

3 So I think there's a lot that's open-ended  
4 about this that wasn't open-ended in the BioLabs case that  
5 does give us concern.

6 THE COURT: Well, I'm hearing them say they  
7 only want to give Dr. Fair information about accused  
8 products. Would that satisfy your worries?

9 MR. GRITTON: I think the issue that Mr. Walter  
10 raised about noise issues, I think that's a pretty common  
11 technical issue in electric engineering. It seems like  
12 there's a lot of experts that could address that issue, and  
13 it's not clear to us why they need Dr. Fair, who does have  
14 these connections to parties that are concerning to us,  
15 needs to be that particular expert, and he needs to address  
16 it here.

17 And I think in the case, it's notable that the  
18 infringement reports have already been served. They have  
19 expert reports from three different experts on infringement.  
20 They're all looking at Oxford's product, and it's not clear  
21 why this additional testimony is needed.

22 THE COURT: Thank you.

23 Counsel, we are going to end the oral argument  
24 now. I will take all three of these disputes under  
25 advisement. What I anticipate doing is issuing a text order

1 either later today or tomorrow with my rulings. It will be  
2 a short text order and the rulings will appear on the  
3 docket.

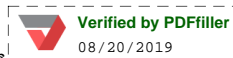
4 I will say, though, for the record now that  
5 neither party has requested payment of fees and costs under  
6 Rule 37, and in any event, based on what I've heard today, I  
7 find that fees and costs are not appropriate for any of the  
8 disputes raised.

9 You can look forward to my ruling today or  
10 tomorrow. And I thank all of you, and have a great day.

11 (Telephonic conference ends at 12:29 p.m.)  
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1  
2 I hereby certify the foregoing is a true and  
3 accurate transcript from my stenographic notes in the  
4 proceeding.  
5

6  
7 *Gail Inghram Verbano*



8 \_\_\_\_\_  
9 Gail Inghram Verbano,  
10 BA, CSR, RDR, CRR  
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